Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

CONFIDENTIAL

PAGE 01 LAGOS 14769 221529Z
ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 DODE-00 PM-05
H-01 L-03 NSC-05 PA-01 PRS-01 SS-15 STR-05 /101 W
----------126035 221652Z /45
R 221345Z DEC 77
FM AMEMBASSY LAGOS
TO SECSTATE WASHDC 5545
INFO AMEMBASSY BELGRADE
AMEMBASSY SOFIA

C O N F I D E N T I A L LAGOS 14769

E.O. 11652: GDS
TAGS: ECRE NI
SUBJECT: NIGERIAN GOVERNMENT ANNOYED BY BULGARIAN AND YUGOSLAV BUILDERS

1. EAST EUROPE'S TWO LEADING BUILDERS IN NIGERIA APPEAR TO BE IN TROUBLE. MEA OFFICIALS TOLD ECON COUNSELOR THAT BULGARIA'S TECHNOSTROJ AND YUGOSLAVIA'S ENERGOPROJEKT HAVE BEEN OVERSTEPPING THEIR BOUNDS AND PRESENTING IMPROPER BILLS IN RESPECT TO MAJOR CONSTRUCTION PROJECTS.

2. NEGOTIATIONS ARE NOW PROCEEDING BETWEEN THE FMG AND BULGARIANS IN AN EFFORT TO CLEAN UP THE CONTROVERSY OVER THE NATIONAL THEATER BUILT ORIGINALLY IN 1974-76 FOR THE BLACK ARTS FESTIVAL. ALTHOUGH ORIGINAL PLANS CALLED FOR AN OUTLAY OF 6 MILLION NAIRA THE FINAL BILL SUBMITTED BY TECHNOSTROJ WAS AN 'INCREDIBLE' 107 MILLION NAIRA. A NIGERIAN INVESTIGATORY COMMISSION DETERMINED THAT BULGARIA HAD OVERCHARGED BY AT LEAST 16 MILLION NAIRA, MUCH OF THIS MADE IN 'IRREGULAR PAYMENTS' (I.E. KICKBACKS TO NIGERIAN OFFICIALS). THE FMG HAS FROZEN 4.2 MILLION NAIRA OF THE COMPANY'S EARNINGS IN A LOCAL BANK ACCOUNT BUT THE ADMITTED AIM OF THE FMG IS TO HUSH THE MATTER UP AND SETTLE IT AS QUIETLY AS POSSIBLE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LAGOS 14769 221529Z

WHILE LETTING THE BULGARIANS KNOW THAT FURTHER GOUGING WILL NOT BE TOLERATED. THE END RESULT IS A FEELING IN SUCH MINISTRIES AS WORKS AND EXTERNAL AFFAIRS THAT THE BULGARIANS WILL GET LITTLE IF ANY FURTHER CONSTRUCTION BUSINESS HERE. ADDING PIQUANCY TO THE SITUATION IS THE IRRITATION FELT BY NIGERIAN OFFICIALS NOW NEGOTIATING WITH BULGARIANS. THE LATTER ARE DESCRIBED AS 'ROBOTS AND AUTOMATONS' WHO HAVE NO FLEXIBILITY IN DISCUSSIONS

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

AND WHO SWITCH THEIR IDENTITY BACK AND FORTH AS CONVENIENT
('ONE DAY THEY ARE THE GOVERNMENT, THE NEXT DAY THEY ARE AN
INDEPENDENT COMPANY').

3. THE FIRST YUGOSLAV PROBLEM CONCERNS COST OVERRUNS FOR THE
INTERNATIONAL TRADE FAIR. AFTER AN EARLY PROJECTION APPROXIMATING
70 MILLION NAIRA, THE FINAL BILL CAME TO 120 MILLION NAIRA AND
MET AN EXPLOSIVE FMG REACTION. ENERGOPROJEKT REDUCED THE FIGURE TO
116 MILLION NAIRA BUT IT IS STILL UNACCEPTABLE TO NIGERIA.
AS OF TODAY THE FMG HAS PAID OUT 88 MILLION NAIRA AND THE COMPANY
INSISTS IT WILL KEEP ITS MANAGER HERE FOR SEVERAL MONTHS IN AN
EFFORT TO COLLECT THE REMAINING 28 MHLLION NAIRA.

4. THE SECOND AREA OF YUGOSLAV-NIGERIAN CONFLICT STEMS FROM
ENERGOPROJEKT BEING A PARTNER WITH THE MINISTRY OF WORKS IN A
JOINT VENTURE CONSTRUCTION COMPANY CALLED NECCO. THE YUGOSLAVS
HAVE FOUND THE ARRANGEMENT TO BE TORN BY BUREAUCRATIC
FRUSTRATIONS. IN ADDITION, ENERGOPROJEKT HAS REQUESTED TO BID

SEPARATELY ON LARGE NIGERIAN CONSTRUCTION PROJECTS IN COMPETITION
WITH ITS OWN PRESENCE IN NECCO. THE FMG HAS RULED AGAINST THIS
AND THE YUGOSLAVS COMPLAIN THAT THEY HAVE BEEN BETRAYED. TO
RESOLVE THIS, ENERGOPROJEKT IS SENDING ITS GENERAL MANAGER
FROM BELGRADE AND RESIDENT COMPANY OFFICIALS HAVE BEEN DESCRIBED
AS BARRAGING VARIOUS MINISTRIES WITH THREATS THAT MARSHALL TITO
WILL BE PERSONALLY INVOLVED. MEA REACTION UP TO NOW HAS BEEN
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LAGOS 14769 221529Z

THAT MARSHALL TITO IS OF NO RELEVANCE NOR CONSEQUENCE IN SUCH
MATTERS.
EASUM

CONFIDENTIAL

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LAGOS14769
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770478-0087
Format: TEL
From: LAGOS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771227/aaaaawig.tel
Line Count: 97
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 881749fe-c188-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 147929
Secure: OPEN
Status: NATIVE
Subject: NIGERIAN GOVERNMENT ANNOYED BY BULGARIAN AND YUGOSLAV BUILDERS
TAGS: ECRE, NI
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/881749fe-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009